

DRAFT



***Virginia Aviation Board
Meeting Minutes
April 21, 2004***

MINUTES OF THE VIRGINIA AVIATION BOARD MEETING – APRIL 21, 2004, 9:00 A.M. AT THE OMNI CHARLOTTESVILLE HOTEL, CHARLOTTESVILLE, VIRGINIA 22901

MEMBERS PRESENT

Roger L. Oberndorf, Chairman
Emmitt F. Yearly
Robert H. Neitz
John G. Dankos, Jr.
William J. Kehoe
Marianne M. Radcliff
Alan L. Wagner

OTHERS PRESENT

Director Macfarlane, DOAV Staff, Federal Government Representatives, Airport Managers and Sponsors, Consultants, Engineers, State Government Representatives, Business Owners, and City & County Representatives.

CALL TO ORDER

The Chairman, Mr. Oberndorf, called the meeting to order. Mr. Emmitt Yearly asked for an amendment to the February Workshop Minutes. While discussing the Lonesome Pine “through the fence” issue, Mr. Yearly stated that he wanted the minutes amended to read that it was his understanding, not a fact, that Mr. George Robinson was either a manager or Airport Commission member who wanted a taxiway to his property. Mr. Kehoe accepted the amendment and Mr. Neitz seconded. The minutes from the February 2004 Board Workshop and Meeting were approved.

REPORTS/ANNOUNCEMENTS

A. DOAV Report

The Director, Mr. Charles Macfarlane, presented the Department report. Mr. Macfarlane announced the purchase of new microphones for use at the June 2004 VAB workshop and meeting.

Mr. Macfarlane reported that Mr. Rick Delisi, Manager of Corporate Communications provided a presentation on the start up of the new low far carrier Independence Air at the Virginia Aviation Board business workshop.

Mr. Macfarlane presented the VAB with a copy of a letter from Mr. Steven E. Frazier, Hazardous Waste Technical Advisor with DEQ and a copy of his response back to Mr. Frazier on dealing with the Small Quantity Generator Airport Sector Initiative.

Mr. Macfarlane announced the new Virginia SATSLab Brochure is now available from the Department of Aviation. Mr. Macfarlane reported that he and Keith McCrea attended a meeting in Danville on April 16 concerning the VSATS National Demonstration to be held in 2005 at the Danville Regional Airport. An executive committee has been appointed and website development is under way for the VSATS demonstration in Danville.

Mr. Macfarlane reported that Mr. John Settle, DOAV Compliance and Security Officer is in the process of sending out an Airport Emergency Contact Information Sheet form to all airports.

Mr. Macfarlane provided the VAB with a copy of an article from Keith L. Alexander, Washington Post staff writer on the Nation's Low-Cost Carriers.

Mr. Macfarlane provided the VAB a copy of the Approval of Airport Leases letter that was sent per their direction to all airport sponsors.

Mr. Macfarlane provided the VAB with a copy of "The Centennial of Flight, A Report on Lessons-Learned" prepared by Ron Sconyers with Vector Communications, LC.

Mr. Macfarlane presented each VAB member with a copy of Virginia Airports, A Historical Survey of Airports and Aviation from the Earliest Days by Vera Foster Rollo, PhD. and Norman L. Crabill with the Virginia Aeronautical Historical Society. He noted the publication is for sale at the Virginia Aviation Museum.

Mr. Macfarlane called attention to copies of letters from Governor Mark R. Warner to Newport News/Williamsburg International and Lynchburg Regional Airports and to AirTran Airways and US Airways thanking them for enhancing service to growing regions of Virginia.

Mr. Macfarlane provided the VAB with two pages from Aviation Daily. The first sheet listed the top 50 U.S. airports ranked by passenger growth with Newport News/Williamsburg coming in at #5 and Norfolk coming in at #24. The second sheet listed the top 50 U.S. airports ranked by passenger decline with Roanoke coming in at #40.

Mr. Macfarlane asked VAB members to note the updated Airport Safety Zoning Spreadsheet in their packets and asked that they review the airports in their region that have not complied with that requirement.

Mr. Macfarlane called the VAB's attention to a letter in this package to the FAA. He explained the Department is attempting to get FAA approval for departure and

arrival procedures into and out of Manassas and Leesburg (through the ADIZ) without having to file ADIZ flight plans. Mr. Macfarlane reported we are attempting to model the entrance and exit strategy after what Maryland has done for two of their airports, Kentmorr and Bay Bridge where they are able to squawk a discrete code, go into those airports and leave without having to talk to ATC while staying clear of the Class B airspace thus allowing people to get in and out of airports a lot easier.

Mr. Macfarlane reported that DOAV has learned over the last two weeks that the Airport Revolving Fund financings were priced and the pricing went well. It looks like the interest rates are a little higher than we expected and we are trying to get an understanding from the VRA as to the differential in interest rates. We will report back as additional information becomes available.

Mr. Macfarlane noted in dealing with Lonesome Pine, DOAV is waiting to hear back from attorneys for the airport as well as the individuals regarding the easements and there is no change in the status.

Mr. Macfarlane reported DOAV is continuing to send out the Legislative Newsletter and Mr. Keith McCrea will give us an update on the legislative situation.

Mr. Macfarlane announced that at the next VAB meeting, Mr. Bryan Elliott is going to give a presentation on the contract tower issue.

Mr. Macfarlane announced the Annual Aviation Conference will be held in Roanoke, August 25-27, 2004. The conference will be held at the Hotel Roanoke and the theme will be Navigating New Skies.

Mr. Macfarlane reported DOAV is still working on the Sponsor's Guide, a pilot safety newsletter, updating our website, and the airport map format for General Aviation airports. Ms. Cherry Evans will discuss a Virginia Historical Marker Program at the next VAB meeting. There are nomination forms for airport manager, person of the year, and lifetime achievement award at the door as well as a little announcement card about the conference in August.

B. Legislative Update

The Chairman called on Mr. Keith McCrea to provide the Legislative Update. Mr. McCrea provided a power point presentation on legislative issues regarding aviation. SB 217 would eliminate the current statutory requirement that operators of ultralight aircraft carry liability insurance. Mr. McCrea reported the bill was struck from the docket on February 12. SB 660 prohibits projectile weapons from being carried into air carrier airport terminals, except where being checked as passenger luggage. The Governor signed this bill on April 15. SJR 108 confirmed the appointments of Marianne M. Radcliff and Alan Lewis Wagner to the Virginia Aviation Board according to Mr. McCrea. Mr. McCrea explained HB 58 allows for the establishment of the Luray-Page County Airport Authority. The new Authority would own and administer the Luray Caverns Airport. Mr. McCrea announced the Governor approved this bill on March 4. HB 487 which excludes aircraft registration and ownership records of licensed public-use airports from the provisions of access through the state Freedom of Information

Act (FOIA). The House passed this bill on January 23 and the Senate carried it over until 2005 session. Mr. McCrea explained HB 736 allows insurance carriers to exclude the provisions for payment of punitive damages when writing policies that cover aircraft. This bill was tabled on February 10. Mr. McCrea described HB 1488 introduced on the House floor on February 13, and reported from House Finance the same day. This bill would repeal the sales and use tax exemption currently enjoyed by air carriers operating in Virginia. This measure was not exclusive to the airline business, but also affected other corporate sectors. The House passed this bill on February 17 and the Senate Finance passed it by Indefinitely (PBI) on March 2. Mr. McCrea passed a detailed listing of the Legislative Tracking for the 2004 Session of the Virginia General Assembly for the Board to review.

C. Aviation Safety Report

The Chairman called on Mr. Michael Mills to give the Department's Safety Report. Mr. Michael Mills provided a presentation on the number of accidents since the last meeting. So far this year there have been six accidents according to Mr. Mills. There have been three accidents since the February board meeting. By categories, there have been three single-engine and three multi-engine accidents. Two of the multi-engine accidents happened in March. There have been no fatalities this year although one of the accidents in March was serious. The NTSB has only reached final determination on eight of the fifty-two accidents for the 2003 year.

On March 6, DOAV hosted the FAA Inspection/Authorization Seminar for Aviation Mechanics with 80 mechanics in attendance. Mr. Mills reported on March 20, an ultralight seminar was held at the Virginia Aviation Museum. Wing's Weekend was held at Suffolk Airport on April 3-4 with approximately 75 attendees. Mr. Mills announced that Virginia Aviation Safety Week was April 5-8 and the locations were Norfolk, Richmond, Manassas, and New River Valley with 200 pilots in attendance. There will be Runway Safety Seminars in Norfolk and Williamsburg-Jamestown later this month. Mr. Mills reported DOAV is in the preliminary stages of preparing for the fall seminar series with AOPA. The seminars will be conducted over a week long period.

D. FAA Report

The Chairman called on Mr. Terry Page to give the FAA Report. Mr. Page provided an update on the status of the AIP program. There is authorization and appropriation for \$3.4 billion dollars nationwide for this coming year. Mr. Page stated this should be a big year for Virginia with \$40 million going to Entitlement and an additional \$40 million for discretionary funding. Mr. Page said we would probably go over \$80 million before the year is finished. Mr. Page asked that if airport sponsors have a project listed in their Capital Improvement Plan this year, using discretionary, state apportionment, or sponsor entitlement money, they will get the funds this year from the federal program. Mr. Page announced airport sponsors need to be sure that they have local funds, signed consultant agreements, and grant applications ready to submit to the FAA in order to receive funds. Mr. Page would like to have all grant applications from Virginia airports by June. The FAA met with DOAV on April 16 and looked at each airport to make sure that the FAA program lines up with where the priorities are with DOAV. Mr. Page

announced the airport sponsors have until the end of April to send any discretionary requests in for next year's program. According to Mr. Page, the FAA will be finalizing the 2005 funding year at the end of April.

E. G.A. Airport Security Program Report

The Chairman called on Mr. John Settle to give the G.A. Airport Security Report. Mr. Settle provided a brief status report on the General Aviation Airport Security Program. Mr. Settle reported there are currently 11 of 58 general aviation airports that are Certified Secure Airports with seven additional airports under contract with Robinson Aviation being inspected and having a security plan and audit developed. By the next meeting, DOAV hopes to have 18 to 20 airports certified. With a budget of \$1,500,000.00, DOAV has committed \$810,293.25 leaving a balance of \$689,706.75 that will be committed after Robinson Aviation has finished with their airport security plans and airport security assessments according to Mr. Settle. With a \$1.5 million dollar budget for FY 2004, \$750,000.00 for FY 2005 and \$750,000.00 for FY 2006, DOAV has a \$3,000,000.00 budget through FY 2006 and estimated current need of \$6,000,000.00 leaving airports with a \$3,000,000.00 shortfall through FY 2006. Under the Security Planning Grant, the expected completion phase is June-July 2004 and is being conducted by Robinson Aviation. Under the guidelines for G.A. security TSA has not given any specific guidelines. The only feedback received thus far from TSA is that they have assigned them to local federal security directors. Mr. Macfarlane asked Mr. Settle about the Airport Security Program Status Report in the board members' notebooks. Mr. Settle noted that the red text denotes new action taken since the last board meeting. The blue text is for airport security plan and audit being conducted by Robinson Aviation. The green box indicates airports that are Certified Secure Airports. Mr. Kehoe noted the first and second letter notices and wanted to know if any airports had not responded back to DOAV. Mr. Settle stated that most airports have responded back to the letters.

OLD BUSINESS

A. Changes in State Funding Level for AIP Match

The Chairman called on Mr. Mike Swain to present the Changes in State Funding Level for AIP Match. Mr. Swain provided the board with a copy of the Comparison of New FAA Funding Ratio on State and Local Funding. Mr. Swain explained Table 1 shows an example of a \$1,000,000.00 project with the funding percentage of a. 90/8/2, b. 95/4/1, and c. 95/3/2. Table 2 shows the today's actual FAA Discretionary and Entitlement grant totals matched by the state excluding MWAA for FY 2001-2003. Mr. Swain explained Table 3 shows the projected FAA average for FY 04-05 excluding monies going to MWAA as well as Norfolk. Mr. Page announced that Norfolk is now considered a medium hub airport and their rate from the FAA is 75% not 95%.

Mr. Swain noted that page 2 contains a list of DOAV Staff Recommendations for the Board to consider. Item 1 – VAB adopts the policy to fund 60 percent of the non-federal share of AIP projects. This recommendation, if approved, would start August of 2004, which is for FY 05. This policy decision would result in ratios of

FAA at 95%, State at 3 % and the local share at 2%. This recommendation is based on the following:

- i. It provides for a meaningful local commitment to the project;
- ii. It allows the VAB additional funds to distribute for state and local projects (80 % state / 20% local);
- iii. It is respectful of current budget constraints statewide; and
- iv. Airport sponsors and local governments anticipated 2% funding from previous years.

Item 2 – The funding ratio policy adopted by the VAB, (if the VAB adopts this policy) is recommended to remain in place until August 1, 2005.

Mr. Macfarlane wanted to know if the Board wanted to act on DOAV's recommendation or defer until next meeting.

Chairman Oberndorf asked if the Board needed to take action on changing the funding ratio and Mr. Swain stated that no action is being called for at this meeting. The current funding ratio is to stay in place until next fiscal year. Mr. Macfarlane explained to the Board that it might help the airport sponsors with their planning process especially since their applications are due to the FAA by April 30 for FY05 for discretionary spending. Dr. Wagner asked when our funding went from 2% to 1% for airports and Mr. Macfarlane stated that it has been in place from December 2003 until now. Dr. Wagner wanted to know what we expect the impact to be for new or critical projects to be proposed if those communities have to go from the current 1% local share back to 2% local share. Mr. Swain asked the Board to look at Table 2, line c. for FY 2001-2003. Table 2 shows Federal dollars of \$60,710,540, DOAV dollars of \$1,917,175.00, and Local dollars of \$1,278,117.00. Mr. Swain asked the Board to look at Table 3, line c. for FY 2004-2005. Table 3 shows Federal dollars of \$47,357,000.0, DOAV dollars of \$1,495,484.00, and Local dollars of \$996,989.00. Each of these tables show a funding ratio of 95/3/2 and Mr. Swain stated that things will stay about the same as they have been over the last ten years. Mr. Whit Freeman from Louisa County Airport wanted to know if he needed to change his 6-year ACIP plan. Mr. Dankos explained that you already had 2% funding on an upcoming project and the only change you will see is that the federal share will go from 90% to 95% and the state share will go from 8% to 3% with the local share remaining at 2%.

Mr. Macfarlane suggested to the Board not to defer a decision on the funding level until the next board meeting because most localities are finalizing their budgets for FY 04 and need to know what the local share will be. Mr. Juan Rivera stated that Manassas has finished with their budget for FY 04 using the 1% funding level and it will be presented on April 28 for final local approval. Mr. Page stated that he expects the federal funding level of 95% to remain in effect for FY 04 through FY 07. Mr. George Paris stated that it is not a money issue problem but a timing issue with the federal program splitting the state program in midyear. Mr. Dankos addressed Chairman Oberndorf and stated that he does not recall the Board telling localities to plan for 1% local funding but to remain with the 2% local share, which is the worst-case scenario until the Board made a final decision on the funding level for FY 04. Mr. Kehoe agreed with Mr. Dankos on the funding issue. Mr. Kehoe made a motion to approve funding of 95% federal, 3% State and 2% local. Mr. Yearly seconded and the motion carried. Ms. Radcliff stated that she wants the localities to understand that they are still

benefiting from this new funding level and that the localities should be responsible for putting in 2% since the economic benefits will help the local communities. Mr. Dankos felt that item #2 should read, "The funding ratio policy adopted by the VAB would remain in place *at least* until August 1, 2005". Mr. Kehoe changed his motion to amend paragraph #2 for approval and Mr. Yeary stated that he felt paragraph #2 should be taken out completely. Mr. Kehoe amended his motion to strike paragraph #2 and made a motion to approve the funding scenario of 95% federal, 3% state, and 2% local. Mr. Yeary seconded and the motion carried.

NEW BUSINESS

A. Aircraft Licensing / Tax Collection

The Chairman called on Mr. John Settle for an update on Aircraft Licensing / Tax Collection. Mr. Settle provided the Board members with a handout on Compliance Overview. Mr. Settle asked the Board to look at the column Dollars Assessed that is a 2% aircraft sales and use tax. This dollar amount has changed from \$625,500.08 to over \$700,000.00 for approximately 35 to 40 days of assessment since coming on board with the Department of Aviation. Mr. Settle informed the VAB that he was comparing FAA data against DOAV data as well as tax records for aircraft owners in Virginia. We have found a glitch in the system with a large number of aircraft that are not currently registered. The state statute allows us to go back 6 years and locate these aircraft. We have 22 aircraft that we have brought into compliance in the last 45 days. Mr. Settle said he will provide an update each month and let the Board know where the Department stands with the number of aircraft located as well as the dollars assessed and collected.

Handout #2 is the Aircraft License Decal display instructions. These instructions will be posted on the DOAV website for public use and will be e-mailed to persons requesting licensing application. Chairman Oberndorf wanted the definition of Virginia Based Aircraft. Mr. Settle defined a Virginia Based Aircraft as an aircraft in Virginia for 60 days in any 12-month period. It does not have to be consecutive or calendar months, it can be any 12-month period. If a plane requires a license then it is required to be taxed. Mr. Wagner wanted to know if a plane is licensed in another state such as Delaware and they land 60 times in Virginia, are they required to pay taxes and be licensed in Virginia. Mr. Settle stated that if the owner has paid taxes in another state we certainly take that into account because Virginia allows a 2% tax liability credit and if they land 60 times in Virginia they must be licensed. The only exemption that the Commonwealth uses for the exemption for this tax should be air carrier.

Mr. Yeary referred to the Lonesome Pine private taxiway situation and wanted to know if Mr. Settle has found any aircraft in the hangars that have not been licensed or registered. Mr. Settle has found four aircraft that are not licensed or registered. The concerned parties have been notified by letter of the situation and plan on paying the taxes, licensing the aircraft, and registering the aircraft. Mr. Yeary asked how far in arrears and Mr. Settle responded that we can only go back 6 years and that no license, no taxes, no registration have taken place over that 6 years. The parties have been properly notified of the situation and asked for some time to clear up this issue.

B. NAVAID System and Status Report

The Chairman called on Mr. Vernon Carter for an update on the NAVAID System and Status Report. Mr. Carter stated that currently we have 55 DOAV owned commissioned NAVAID facilities operating in the Commonwealth supporting IAP's (instrument approach procedures) to 25 non-commercial airports. There are four full ILS's at Chesterfield, Winchester, Chesapeake, and Stafford. The oldest operating facilities are Hampton Roads and Hanover and were commissioned in 1966. The current Maintenance Operating budget is \$230,000.00 per year to maintain these NAVAIDS systems.

C. Entitlement Report Approval

The Chairman called on Mr. Mike Swain for Approval of Newport News/Williamsburg Entitlement Utilization Report for FY 02-03. This report would normally be approved in August but DOAV has been working with Newport News/Williamsburg to come to an agreement on the expenditures for completed and incompleting projects. Mr. Dankos wanted to know if they have PFC's in place and Mr. Swain was not sure but said he would be glad to find out the status for Mr. Dankos for the next Board meeting. Mr. Wagner made a motion to approve. Mr. Kehoe seconded and the motion carried.

D. Request for Resolutions – Tentative Allocations from the Commonwealth Airport Fund

1. The Chairman called on Mr. Swain to present the Airport Services Division Request for Resolutions – Tentative Allocations from the Commonwealth Airport Fund. Mr. Swain reviewed a revised memo on recommended withdrawal of tentative allocations dated April 20, 2004. In the case of Blue Ridge, Lee County, Roanoke and Twin County – Runway Rehabilitation, the T.A.'s should be reduced because of the increased percentage of FAA funding. The remaining T.A.'s for Bridgewater, Dinwiddie, Roanoke, Twin County – Access Road (Design), Williamsburg, and Winchester are over six months old or not required in FY04. It is Board policy to withdraw T.A.'s over six months old if no forward movement or action has occurred. Ms. Radcliff stated that there was a contract amendment to the T-Hangar (Large A/C) Site Prep (Design) project with Dinwiddie dated February 2004 that shows forward movement. Ms. Radcliff requests that the Dinwiddie T-Hangar (Large A/C) Site Prep (Design) project not be withdrawn. Mr. Wagner stated that he would like to see both projects for the Williamsburg/James City Airport not be withdrawn due to forward movement on the projects. Mr. Kehoe made a motion to approve DOAV's recommendations with the exception of leaving the Dinwiddie and Williamsburg projects in T.A. status. Ms. Radcliff seconded and the motion carried.

Mr. Swain would like the Board to give DOAV clarification as to when they want us to review outstanding T.A.'s for withdrawal. DOAV has been reviewing the status at 7 to 8 months for recommending withdrawals. Would the Board like DOAV to review T.A.'s at 5 months and recommend withdrawal at 6 months? Ms. Radcliff would like to know how DOAV

informs Airports as to the status of existing T.A.'s that are going to be recommended for withdrawal. Mr. Swain explained DOAV held their first project review meeting approximately five weeks prior to this Board meeting. The engineers contacted the airports identified for recommended withdrawal to let them know DOAV's recommendation for the next Board meeting. When the airports were notified of possible withdrawal of T.A.'s they let the Department know of forward progress and forthcoming ACIP Project Grant applications. Mr. Swain suggested that perhaps DOAV should review T.A.'s at 3 months and contact airports for a progress report.

Mr. Macfarlane explained to the Board that when he meets with Senate Finance or House Appropriations, they are looking at our outstanding balance, not at funds we have committed. DOAV lost \$11,000,000.00 last year and \$5,500,000.00 this year because of our large cash balances. Part of the issue in losing funds is that when T.A.'s are outstanding, the funds are still showing in our cash balances.

Mr. Swain stated that in the future, DOAV will give written notice to airports at three months from issuance of T.A.'s that unless forward progress is made within the next three months toward putting T.A.'s under grant they will be withdrawn at six months unless mitigating circumstances are provided to DOAV.

Mr. Kehoe wants the airports to understand that the Board's responsibility is to withdraw outstanding T.A.'s that have no forward movement within six months of issuance, unless there are extremely compelling circumstances.

2. Mr. Swain moved to the project requests.

Region 1

Twin County - Mr. Yeary made a motion to approve recommendation. Mr. Dankos seconded and the motion carried.

Virginia Highlands - Mr. Yeary made a motion to approve recommendation. Mr. Dankos seconded and the motion carried.

Region 2

There were no requests received.

Region 3

Culpeper Regional - Mr. Neitz made a motion to approve recommendation. Mr. Kehoe seconded and the motion carried.

Luray Caverns - Mr. Neitz made a motion to approve recommendation. Mr. Kehoe seconded and the motion carried.

Stafford Regional – Mr. Neitz made a motion to approve recommendation. Mr. Dankos seconded and the motion carried.

Winchester Regional – Mr. Neitz made a motion to approve recommendation. Mr. Kehoe seconded and the motion carried.

Region 4

Hummel Field – Mr. Dankos made a motion to approve recommendation. Mr. Kehoe seconded and the motion carried.

Region 5

Charlottesville-Albemarle – Mr. Kehoe made a motion to approve recommendation. Mr. Wagner seconded and the motion carried.

Region 6

Chesterfield County – Ms. Radcliff made a motion to approve recommendation. Mr. Kehoe seconded and the motion carried.

Emporia-Greenville Regional – Ms. Radcliff made a motion to approve recommendation. Mr. Kehoe seconded and the motion carried.

Region 7

Hampton Roads – Mr. Wagner made a motion to approve recommendation. Mr. Kehoe seconded and the motion carried.

E. Request for Resolutions – TA's from the Aviation Special Fund

Ms. Cherry Evans was called on to present the promotion projects.

Region 1

No Requests Received

Region 2

No Requests Received

Region 3

Culpeper Regional – Mr. Neitz made a motion to approve recommendation. Mr. Kehoe seconded and the motion carried.

Region 4

No Requests Received

Region 5

Charlottesville-Albemarle Airport – Mr. Kehoe made a motion to approve recommendation. Mr. Neitz seconded and the motion carried.

Region 6

No Requests Received

Region 7

Franklin Municipal Airport – Mr. Wagner made a motion to approve recommendation. Mr. Dankos seconded and the motion carried.

Ms. Evans wanted to remind everyone that the ACIP Requests and Aviation Special Fund Requests to be reviewed in August are due at DOAV by 5:00 p.m. on June 4, 2004.

F. VRA Loan Status

Chairman Oberndorf called on Mr. Mike Swain for the VRA Loan Status Update. Mr. Swain provided the Board with a handout containing the most recent figures on the VRA Revolving Airport Loan Program. The total new issuance under the VRA loan program for this year is \$6,337,525.00.

BOARD MEMBER COMMENTS AND REPORTS

Mr. Yeary opened a discussion on the Lonesome Pine Airport situation. Mr. Yeary feels that who owns what aircraft should be made public information especially as it relates to terrorist activity today. Mr. Yeary also feels that all information dealing with Lonesome Pine should be made a public issue. A deed was issued last July to the private Taxiway at Lonesome Pine Airport, a perpetual deed of easement to Mr. Jerry W. Wharton and his wife, Mrs. Melissa P. Wharton, A&G Coal Company, which I understand, is owned by Mr. Wharton, and Mr. Gary Bevins. Mr. Wharton was the former Chairman and Vice-Chairman of the commission and Mr. Bevins is a present member of the commission. Mr. Yeary would like Mr. Settle to provide information on the aircraft that are the beneficiaries of this private taxiway. Are their aircraft registered, have they paid taxes, and if not, what are the penalties and what would the interest be to date on their aircraft? Mr. Settle cannot address specific penalties and interest until exact dollar value of the aircraft is known¹. Mr. Settle has researched six aircraft and found that the taxes have been paid and the aircraft licensed. The aircraft that A&G Coal, Inc. currently has or have had are a Eurocopter valued at \$1,000,000.00, a Cessna 501, a Raytheon valued at \$5,500,000.00, a Bell Helicopter that has been sold to S. R. Mullins Excavating located in Wise, Virginia. The FAA shows some aircraft under Melissa's name and DOAV shows them under Jerry's name. Two of these aircraft are Cessna, one is a 172 and the other is a 310. There are six aircraft they have owned in the past or they currently own. If it is the first aircraft there is \$0 penalty, however, for the second aircraft or later aircraft, the penalty rate is 6% to a maximum of 30% if it is just an error or omission. If there is fraud, the penalty can go as high as 50%. Mr. Dankos wants to know what address was shown for the aircraft with the FAA? Mr. Settle did not have that information.

Mr. Yeary provided a copy of the Bristol Herald Courier with an article on Lonesome Pine Airport's private taxiways and would like to have the article made a part of the minutes.

ADJOURN MEETING

With no further business, the meeting was adjourned.

ATTACHMENTS

¹ A & G Coal, Inc. had remitted payment for the tax portion of the liability associated with aircraft N120JW / serial #1259, and N390JW / serial #RB78. Payment was received in this office and was forward to Taxation for processing. This information was not presented until following the board meeting.

Specifically the payment information relating the aircraft is as follows:

N390JW / serial #RB78, 2003 Raytheon 390 Premier I – payment of \$97,030.90.

N120JW N120JW / serial #1259, 2001 Eurocopter EC120 – payment of \$18,321.58

A & G Coal Corp still has \$41,579.64 outstanding for the two aircraft listed above, as well as the tax, penalty and interest on the following aircraft:

N235JW / serial #4051, 1989 Bell Helicopter 206B, valued at \$444,000.00

N310JW / serial #310-R0956, 1977 Cessna T310R, valued at \$157,000.00